

## Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-03 H-01 INR-07 L-02

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06

ACDA-05 TRSE-00 SAJ-01 OMB-01 SAM-01 IO-10 BIB-01

AEC-05 /080 W

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FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC 5650

INFO AMEMBASSY ANKARA

AMEMBASSY ATHENS

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY THE HAGUE

AMEMBASSY LISBON

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY OSLO

AMEMBASSY PARIS

AMEMBASSY REYKJAVIK

AMEMBASSY ROME

USMISSION NATO BRUSSELS

C O N F I D E N T I A L SECTION 1 OF 2 OTTAWA 0533

E.O. 11652: GDS

TAGS: MARR, NATO, CA

SUBJ: HIGH-LEVEL US-CANADIAN DEFENSE CONSULTATION

1. SUMMARY: BILATERAL DISCUSSIONS FEBRUARY 10 BETWEEN  
US GROUP HEADED BY ASSISTANT SECDEF FOR ISA ROBERT  
ELLSWORTH AND CANADIAN DEFENSE AND EXTAFF OFFICIALS  
RANGED FROM GENERAL TOPICS AFFECTING DEFENSE POSTURE  
BOTH COUNTRIES TO SPECIFIC US CONCERNS ABOUT LEVEL OF  
RESOURCES CANADA DEVOTES TO DEFENSE. ELLSWORTH URGED  
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GREATER CANADIAN EFFORTS, PARTICULARLY WITH REGARD NATO.

CANADIANS OUTLINED PROCESS OF CURRENT GOC DEFENSE REVIEW WHICH WILL SPECIFY TASKS AND IDENTIFY RESOURCES NEEDED TO IMPLEMENT CANADIAN DEFENSE PRIORITIES. CANADIAN SIDE HELD OUT LITTLE HOPE THAT CANADIAN CABINET WOULD APPROVE HIGHER DEFENSE LEVEL SPENDING. BRIEF DISCUSSION OF NORAD AGREEMENT REVEALED NO PROBLEMS CONCERNING RENEWAL. OTHER MATTERS MENTIONED INCLUDED REFORGER, AMNSFIELD AMENDMENT, US-FRENCH NATO BASES SETTLEMENT. END SUMMARY.

2. IN COURSE GENERAL PRESENTATION OF DEFENSE ISSUES TOUCHING ON MBFR, CSCE, SALT II, AND DETENTE, ELLSWORTH IN LOW KEY FASHION WOVE IN CONSIDERATIONS ARGUING FOR GREATER CANADIAN DEFENSE EFFORT IN SUPPORT COLLECTIVE NATO POSTURE. REFERRING TO IMPORTANCE CONVENTIONAL DETERRENT, PARTICULARLY IN FACE CONTINUED USSR BUILD-UP, HE CITED EXAMPLES OF OTHER NATO ALLIES (INCLUDING US, FRG, UK) EITHER INCREASING THEIR NATO EFFORTS OR MAINTAINING LEVELS OF NATO COMMITMENTS DESPITE OVERALL DEFENSE REDUCTIONS. MEANWHILE CANADA HAD MAINTAINED DEFENSE BUDGET FREEZE FROM 1969 TO 1973 AND SUBSEQUENTLY BECAUSE OF INFLATION HAD NOT IMPLEMENTED INTENDED 1 1/2 PER CENT PER ANNUM REAL INCREASE IN DEFENSE BUDGET. IN VIEW CANADA'S WEALTH IN CONTRAST TO LOW PERCENT GNP DEVOTED TO DEFENSE, US HOPES CANADA CAN INCREASE REAL RESOURCES DEVOTED TO DEFENSE AND SPECIFICALLY INCREASE AND MODERNIZE NATO-COMMITTED FORCES.

3. REAFFIRMING IN RESPONSE CANADIAN COMMITMENT TO COLLECTIVE DEFENSE, DEPUTY UNDER-SECRETARY FOR EXTERNAL AFFAIRS JOHN HALSTEAD REFERRED TO 1968-70 DEFENSE REVIEW IN CANADA. CONCLUSIONS OF THIS REVIEW HAD LAID TO REST IN CANADA QUESTION OF UTILITY FOR CANADIAN INTERESTS OF COLLECTIVE DEFENSE AND NO SERIOUS QUESTION HAS SINCE BEEN RAISED CONCERNING INTERDEPENDENCE OF CANADIAN AND EUROPEAN DEFENSE OR CONCERNING CANADIAN PARTICIPATION IN NATO AND STATIONING OF FORCES IN EUROPE. HALSTEAD ACKNOWLEDGED THAT CANADA COULD NO DOUBT DO MORE IN EUROPE FOR NATO. HOWEVER, 68-70 REVIEW HAD IDENTIFIED FOUR PRIORITIES IN CANADIAN DEFENSE (DEFENSE

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OF CANADIAN SOVEREIGNTY, DEFENSE OF NORTH AMERICA, NATO AND PEACEKEEPING). ONLY BY DOING LESS FOR PEACEKEEPING COULD CANADA INCREASE ITS NATO EFFORT. HOWEVER, GOC FELT THAT IMPLEMENTATION OF ALL FOUR PRIORITIES WAS IMPORTANT AS A BALANCED CONTRIBUTION TO INTERNATIONAL PEACE AND SECURITY. HE ALSO CITED IMPORTANCE CANADA ATTACHES TO CSCE NEGOTIATIONS.

4. MEETING'S CO-CHAIRMAN, ASSISTANT DEPUTY MINISTER OF NATIONAL DEFENCE DAVID KIRKWOOD DESCRIBED CURRENT GOC DEFENSE REVIEW BEGUN DEC 1 AND SCHEDULED FOR COMPLETION JUNE 1975. FIRST PHASE OF REVIEW, DESIGNED TO IDENTIFY SPECIFIC TASKS TO BE PERFORMED IN ORDER IMPLEMENT FOUR PRIORITIES, DUE TO BE COMPLETED WITHIN TWO-THREE WEEKS FOR SUBMISSION TO CABINET. ONCE TASKS ARE APPROVED, REVIEW EFFORT WILL SHIFT TO IDENTIFYING SPECIFIC RESOURCES REQUIRED IN ORDER EFFECTIVELY ACCOMPLISH TASKS, PRESENTING CABINET WITH RANGE OF OPTIONS. DEFENSE PLANNERS AIMING TOWARD BUILD-UP OF CAPITAL ASSETS BY REPLACING AGING EQUIPMENT WITH MORE MODERN SYSTEMS WHICH ARE CHAPER TO MAINTAIN AND HAVE GREATER CAPABILITIES. WHILE CABINET COULD PEG LEVEL OF RESOURCES TO BE DEVOTED TO DEFENSE ABOVE OR BELOW CURRENT LEVEL, HE DOUBTED THAT LEVEL WOULD DIFFER SUBSTANTIALLY FROM PRESENT LEVEL. HE DID INDICATE, HOWEVER, THAT CABINET ATMOSPHERE WAS OPEN-MINDED, THERE BEING NO INDICATION OF BUDGET-SLASHING INTENTIONS.

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R 132150Z FEB 75

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TO SECSTATE WASHDC 5651

INFO AMEMBASSY ANKARA

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AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY THE HAGUE

RUDFDQXAMEMBASSY LISBON 137

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG  
AMEMBASSY PARIS  
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5. ELLSWORTH EXPRESSED HOPE US COULD CONTINUE CONSULT WITH GOC AS DEFENSE REVIEW PROCEEDS. KIRKWOOD REPLIED THAT GOC WOULD CERTAINLY BE TAKING US VIEWS INTO ACCOUNT WHEN KNOWN AND IF GOC UNCERTAIN OF US VIEWS THEY WILL BE SOUGHT. HOWEVER, DEFENSE REVIEW ESSENTIALLY AN IN-HOUSE EXERCISE WHICH GOC ANXIOUS KEEP PRIVATE INASMUCH AS ANY PREMATURE PUBLIC DISCLOSURE COULD COMPLICATE MATTERS.

6. ELLSWORTH EXPRESSED HOPE CANADIAN NATO FORCE (CMBG) COULD BE UPGRADED. KIRKWOOD INDICATED THAT THIS SUBJECT  
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WOULD BE DEALT WITH IN CURRENT DEFENSE REVIEW. LIKELIHOOD IS THAT CABINET WILL BE PRESENTED WITH OPTIONS OF AN ALL-AIR, ALL-LAND, OR MIXED LAND/AIR FORCE. IF EITHER OF LATTER TWO OPTIONS ACCEPTED, CABINET WILL HAVE TO FOCUS ON TANK REPLACEMENT PROBLEM.

7. ON THE NORAD AGREEMENT, NEITHER SIDE SAW ANY PROBLEMS DEVELOPING. KIRKWOOD STATED THAT NORAD TASKS WOULD BE CONSIDERED ALONG WITH OTHERS IN CURRENT DEFENSE REVIEW AND ONLY AFTER CABINET APPROVAL OF TASKS COULD FURTHER PROGRESS ON AGREEMENT BE MADE. REFERRING TO RECENT SECDEF STATEMENT THAT NO SIGNIFICANT MANNED BOMBER THREAT EXISTS, HALSTEAD INQUIRED ABOUT IMPLICATIONS OF THIS ASSESSMENT FOR NORAD. ELLSWORTH NOTED THAT NORAD MISSION WAS MORE TO RESPOND TO A MISSILE THAN MANNED BOMBER THREAT BUT THAT THIS A RELATIVE JUDGMENT. HE NOTED THAT SOVIET PLANNED DEPLOYMENT OF SEVERAL HUNDRED "BACKFIRE" BOMBERS, WHICH NOW KNOWN TO HAVE RANGE ENABLING THEM REACH LOS ANGELES UNREFUELED, INDICATED MANNED BOMBER THREAT WILL CONTINUE. INDEED, IN SALT II US WILL BE SEEKING (AND SOVIETS RESISTING) HAVE BACKFIRE COUNTED AS SNDV AGAINST OVERALL VLADIVOSTOCK LIMITATION. (IN SUBSEQUENT CONVERSATION WITH EMBOFF, EXTAFF OFFICIAL (MARSHALL) SAID THAT ELLSWORTH-SUPPLIED INFO ON BACKFIRES WOULD NOT ALTER GOC APPROACH ON NORAD RENEWAL WHICH EMPHASIZES AERO-SPACE SURVEILLANCE ROLE, BUT WILL EQUIP OFFICIALS TO RESPOND TO QUESTIONS ON MANNED BOMBER THREAT.)

8. ELLSOWRTH MENTIONED US HOPES THAT CANADA WOULD PARTICIPATE IN THIS SPRING'S REFORGER EXERCISE. CANADIAN SIDE SAID THEY HAD NOT PREVIOUSLY BEEN APPROACHED ON SUBJECT AND WOULD GIVE IT CONSIDERATION, BUT MIGHT HAVE PROBLEM PUTTING TOGETHER RESOURCES TO PARTICIPATE. (IN SUBSEQUENT TALK WITH EMBOFF, MARSHALL NOTED THAT CANADA CONDUCTS ITS OWN "MINI-REFORGER" BY DISPATCHING FORCES FOR EXERCISE IN NORTHERN NORWAY. SINCE MATTER WOULD PROBABLY COME DOWN TO CHOICE BETWEEN REFORGER AND NORWEGIAN EXERCISE, LATTER WOULD BE LIKELY GET THE NOD.)

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9. ASKED ABOUT MANSFIELD AMENDMENT, ELLSWORTH EXPRESSED VIEW THAT SUPPORT FOR SUCH AMENDMENT HAD PASSED HIGH-WATER MARK AND WAS DECLINING. ASKED ABOUT US-FRENCH SETTLEMENT ON CLOSING OF US NATO BASES IN FRANCE, ELLSWORTH SUMMARIZED HIS TESTIMONY TO SENATE FINANCE COMMITTEE IN WHICH HE HAD POINTED OUT THAT SINCE NO LEGAL OBLIGATION EXISTED FOR ANY SETTLEMENT, BOTH DECISION TO SEEK SETTLEMENT AND ITS SIZE WERE POLITICAL NOT LEGAL DECISIONS. NEGOTIATIONS WERE STILL CONTINUING ON TIMING OF PAYMENTS AND OTHER PROCEDURAL MATTERS.

10. COMMENT: EMBASSY FEELS VISIT WAS USEFUL PARTICULARLY IN PROVIDING INFORMAL HIGH-LEVEL SUPPLEMENT TO CONSULTATIVE PROCESS. CANADIANS APPRECIATED INITIATIVE TAKEN BY ELLSWORTH IN SETTING UP MEETING AND THE OPPORTUNITY IT PROVIDED FOR BOTH SIDES TO DISCUSS MATTERS SUCH AS MBFR AND CANADIAN DEFENSE REVIEW WITH GREATER CANDOR THAN POSSIBLE IN MORE FORMAL OR LOWER-LEVEL CONTACTS. WE ALSO FEEL IT WAS USEFUL TO HAVE US CONCERN THAT CANADA NOT PULLING ITS DEFENSE WEIGHT REITERATED AT ELLSWORTH LEVEL AND AT TIME CANADIANS ACTIVELY ENGAGED IN DEFENSE REVIEW. WHILE CANADIAN PARTICIPANTS WERE NOT OPTIMISTIC THAT GOC CABINET WILL IMPROVE DEFENSE BUDGET LEVELS, ELLSWORTH VISIT ADDS STRING TO BOW OF OFFICIALS WHO MAY BE INCLINED TO ARGUE THAT EFFECTIVE IMPLEMENTATION OF GOC DEFENSE PRIORITIES REQUIRES GREATER EFFORT THAN AT PRESENT.

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## Message Attributes

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